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FRAN 1429.

151630Z

15 FEBRUARY 1949

TO: [] WASH F, KARL, HEID. INFO: VIEN. CITE: FRAN.

RE [] 2353.

1. DR. KAROLY NEY, BUDAPEST LAWYER, BORN APPROX 1905, WAS ARDENT NAZI DURING GERMAN OCCUPATION OF HUNGARY. IN 1939 HE BECAME SUPPORTER OF RIGHT-WING BLOC IN HUNGARIAN PARLIAMENT. HE SERVED AS 1ST LIEUTENANT HUNGARIAN ARTILLERY ON EASTERN FRONT FROM OUT-BREAK OF LAST WAR UNTIL 43. IN 44 NEY ESTABLISHED CONTACT WITH GERMAN S.S. IN HUNGARY AND BECAME STRUMBANFUEHRER IN WAFFEN S.S. HE IS REPORTED TO HAVE WORKED CLOSELY WITH OTTO SKORZENY WHO WAS IN HUNGARY FOR PURPOSE OF FORMING PARTISAN ORGANIZATION TO BE USED BEHIND SOVIET LINES. NEY'S FUNCTIONS, UNDER NAZI SUPERVISION, CONSISTED OF FORMING "DEATHS HEAD LEGION". AFTER THE WAR HE ASSISTED IN FORMATION OF "COMRADESHIP OF EASTERN FRONT FIGHTERS", AN ANTI-SOVIET AND PRO-GERMAN ORGANIZATION CONSISTING OF POLITICAL AND MILITARY SECTIONS. EVAL B-3.
2. NEY IS CONTINUING TO RECRUIT FORMER TECHNICIANS OF HUNGARIAN

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CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

FOR COORDINATION WITH

^{ed} US Army

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ARMY FOR ORGANIZATION WHICH IS SUPPOSED TO SERVE AS POSITIVE UNIT AND EVENTUALLY AS PARTISAN UNDERGROUND ORGANIZATION TO ASSIST IN OVERTHROW OF COMMUNIST REGIME IN HUNGARY. B-3.

3. NEY IS REPORTED TO HAVE TOLD FORMER MEMBERS OF HUNGARIAN GEUD-ARMIE*, DURING HIS RECRUITING DRIVE, THAT HE HAD BEEN GIVEN 275,000 SCHILLINGS BY U.S. INTELLIGENCE AUTHORITIES FOR HIS PRELIMINARY WORK. SOURCES REPORT THAT THEY BELIEVE NEY AND FEW ASSOCIATES PLAN TO PRY AS MUCH FINANCIAL ASSISTANCE FROM U.S. AUTHORITIES AS POSSIBLE AND THEN FLEE TO FRANCE. B-5.
4. DURING TRIP TO MUNICH IN MAY 48 NEY ALLEGEDLY STATED HE WAS CLOSELY CONNECTED WITH CIC AUSTRIA AND WAS ENGAGED IN REESTABLISHING PARTISAN UNDERGROUND ORGANIZATION FOR OPERATION IN HUNGARY. NEY CLAIMED TO HAVE SUPPORT OF VATICAN AS WELL AS SUPPORT OF GENERAL-ISSIMO FRANCO OF SPAIN IN REFORMING GROUP. B-3.
5. NEY'S SCOPE OF OPERATIONS APPEAR TO BE CENTERED IN AREA OF SALZBURG, VOCKLABRUCK, GMUNDEN AND LAMBACH. HE IS REPORTED TO HAVE ESTABLISHED "PARTISAN TRAINING CENTER" AT GMUNDEN AUSTRIA AND HIS ASSOCIATES ARE IN CONTACT WITH CIC THERE. B-2.

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6. CIC FRANKFURT CHECKING WITH CIC AUSTRIA FOR THEIR POSSIBLE CONNECTIONS.
7. POUCHING FURTHER INFORMATION. DO YOU OBJECT TO INFO IN REFERENCE BEING PASSED CIC?
8. FOR HEID: SUGGEST YOU CHECK T.I.B. CIC LEAD WAS PICKED UP FROM THEM VERBALLY THEREFORE SUGGEST YOU DO NOT REVEAL FACT THAT INVESTIGATION BEING CONDUCTED.

*(REQUESTING CONFIRMATION THIS WORK FROM KARL)

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